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WALTER WILHELM LAW GROUP
A Professional Corporation
Riley C. Walter #91839
Danielle J. Bethel #315945
205 East River Park Circle, Ste. 410
Fresno, CA 93720
Telephone: (559) 435-9800
Facsimile: (559) 435-9868
E-mail: rileywalter@w2lg.com

Chapter 9 Course

MCCORMICK BARSTOW, LLP
Benjamin T. Nicholson #239893
Todd A. Wynkoop #308845
7647 N. Fresno Street
Fresno, CA 93720
Telephone: (559) 433-1300
Facsimile: (559) 433-2300
E-mail: ben.nicholson@mccormickbarstow.com

District Counsel

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA**

In re

**TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE REGIONAL
MEDICAL CENTER,**

Debtor

**FRESNO DIVISION
CASE NO. 17-13797**

Chapter 9

Adv. No.: 17-01095

**DEFENDANT TULARE LOCAL
HEALTHCARE DISTRICT, dba
TULARE REGIONAL MEDICAL
CENTER SECOND ADVERSARY
PROCEEDING STATUS
CONFERENCE STATEMENT**

Date: February 28, 2018

Time: 1:30 p.m.

Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13

Judge: Honorable René Lastreto II

HEALTHCARE CONGLOMERATE ASSOCIATES, LLC.

Plaintiff

V

TULARE LOCAL HEALTHCARE DISTRICT, dba TULARE REGIONAL MEDICAL CENTER: DOES 1 through 20

Defendants

1 TO THE HONORABLE RENÉ LASTRETO II, UNITED STATES BANKRUPTCY
2 JUDGE: TULARE LOCAL HEALTHCARE DISTRICT, dba TULARE REGIONAL
3 MEDICAL CENTER ("TRMC"), defendant herein, respectfully submits this Second
4 Adversary Proceeding Status Conference Statement as follows:

5 1. This matter was originated by the filing of a Complaint for Breach of Contract
6 and Declaratory Relief by Healthcare Conglomerate Associates, LLC ("HCCA") against
7 TRMC on September 15, 2017 in the Los Angeles County Superior Court ("Underlying
8 Litigation").

9 2. Following TRMC's bankruptcy filing on September 30, 2018, the Underlying
10 Litigation was stayed and subsequently removed by TRMC to the Bankruptcy Court
11 resulting in this Adversary Proceeding.

12 3. On January 4, 2018, TRMC filed its Answer to the removed Complaint.

13 4. On January 4, 2018, TRMC filed its Counterclaim against HCCA thereby
14 asserting the following claims against HCCA: (1) Breach of Contract; (2) Accounting; (3)
15 Fraud; (4) Negligent Misrepresentation; (5) Concealment; (6) Conversion; (7) Breach of
16 Fiduciary Duty; (8) California False Claims Act; (9) Cancellation of Deed of Trust; (10)
17 Declaratory Relief; and (11) Equitable Subordination and Punitive Damages

18 5. On January 10, 2018, HCCA notified the Court that it does not consent to entry
19 of final orders or judgment by the bankruptcy court.

20 6. On January 24, 2018 HCCA filed a Motion for Remand of Lawsuit to State
21 Court Pursuant to 28 U.S.C. § 1452(b).

22 7. On January 29, 2018 HCCA filed a Motion to Dismiss Counterclaim Against
23 HCCA Or In The Alternative Strike Portions Thereof and Motion to Strike Portions of
24 Answer of Tulare Local Healthcare District dba Tulare Regional Medical Center.

25 8. On February 9, 2018 the parties participated in an all-day mediation with the
26 Honorable Dickran Tevrizian.

1 9. On February 16, 2018 the parties stipulated to continue the hearings and all
2 deadlines regarding the Motion for Remand of Lawsuit to State Court Pursuant to 28
3 U.S.C. § 1452(b), the Motion to Dismiss Counterclaim Against HCCA Or In The
4 Alternative Strike Portions Thereof and Motion to Strike Portions of Answer of Tulare
5 Local Healthcare District dba Tulare Regional Medical Center. Stipulations and Orders
6 were submitted to the Court on February 16, 2018. The parties are awaiting entry of the
7 Orders.

8 10. It is respectfully requested that the status conference in this adversary
9 proceeding be continued to a date approximately 60 days out in order for the parties to
10 move past the continued hearings regarding the motions mentioned above.

Dated: February 21, 2018

**WALTER WILHELM LAW GROUP,
a Professional Corporation**

Riley C. Walter

Riley C. Walter, Attorneys for Debtor
Tulare Local Healthcare District, dba
Tulare Regional Medical Center